
A BILL FOR AN ACT

RELATING TO STATE ACQUISITION OR DEVELOPMENT OF REAL PROPERTY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

SECTION 1. The legislature finds that a significant proportion of the State's public employee work force is concentrated in downtown Honolulu. As many state agencies and employees are outgrowing existing office space and aging infrastructure, there is a pressing need for the State to identify and acquire or build additional office space in urban Honolulu to accommodate state governmental agencies and offices.

The purpose of this Act is to:

(1) Appropriate funds to identify, plan, and acquire or build upon real property in urban Honolulu to provide office space for state governmental agencies and offices; and

(2) Require the department of accounting and general services to undertake lease buyback processing under the program of centralized engineering and office leasing services, facilitate facility agreements between the State and private investors, and conduct



1 an inventory of all leases of property to state
2 agencies.

3 **PART II**

4 SECTION 2. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so
6 much thereof as may be necessary for fiscal year 2015-2016 to
7 identify, plan, and acquire or build upon real property in urban
8 Honolulu to provide office space for state governmental agencies
9 and offices.

10 The sum appropriated shall be expended by the department of
11 accounting and general services for the purposes of this Act.

12 **PART III**

13 SECTION 3. Section 26-6, Hawaii Revised Statutes, is
14 amended to read as follows:

15 **"§26-6 Department of accounting and general services. (a)**

16 The department of accounting and general services shall be
17 headed by a single executive to be known as the comptroller.

18 (b) The department shall:

19 (1) Preaudit and conduct after-the-fact audits of the
20 financial accounts of all state departments to



1 determine the legality of expenditures and the
2 accuracy of accounts;

3 (2) Report to the governor and to each regular session of
4 the legislature as to the finances of each department
5 of the State;

6 (3) Administer the state risk management program;

7 (4) Establish and manage motor pools;

8 (5) Manage the preservation and disposal of all records of
9 the State;

10 (6) Undertake the program of centralized engineering and
11 office leasing services, including operation ~~[and]~~,
12 maintenance, and lease buyback processing of public
13 buildings, for departments of the State;

14 (7) Undertake the functions of the state surveyor;

15 (8) Establish accounting and internal control systems;

16 (9) Provide centralized computer information management
17 and processing services, coordination in the use of
18 all information processing equipment, software,
19 facilities, and services in the executive branch of
20 the State, and consultation and support services in
21 the use of information processing and management



1 technologies to improve the efficiency, effectiveness,
2 and productivity of state government programs; and

3 (10) Establish, coordinate, and manage a program to provide
4 a means for public access to public information and
5 develop and operate an information network in
6 conjunction with its overall plans for establishing a
7 communication backbone for state government.

8 (c) The state communication system shall be established
9 to:

10 (1) Facilitate implementation of the State's distributed
11 information processing and information resource
12 management plans;

13 (2) Improve data, voice, and video communications in state
14 government;

15 (3) Provide a means for connectivity among the state,
16 university, and county computer systems; and

17 (4) Provide a long-term means for public access to public
18 information.

19 (d) The department shall facilitate a facility agreement
20 with any private investor for the sale of a state facility to



1 the private investor; provided that the facility agreement
2 contains the following requirements:

3 (1) The State shall sell the facility to the private
4 investor, who shall:

5 (A) Renovate, improve, or construct a facility for
6 the State and may maintain the facility; and

7 (B) Lease the facility to the State, pursuant to a
8 building lease; and

9 (2) The land upon which the facility rests shall not be
10 sold to the private investor; provided that the land
11 may be leased at a nominal rate to the private
12 investor for a term that would, at a minimum, allow
13 the private investor to recover the capital investment
14 that has been made to the facility, including
15 depreciation; and

16 (3) The State shall have the option of purchasing the
17 facility from the private investor for the remaining
18 balance of the debt service costs incurred by the
19 private investor at any time.

20 For purposes of this subsection:



1 "Building lease" means a contract between the department of
2 accounting and general services and a private investor in which
3 the private investor leases an improved facility to the
4 department for a specified period of time.

5 "Facility" means a building under the management and
6 control of any state department.

7 "Facility agreement" means an agreement between the State
8 and a private investor which, at a minimum, includes a
9 description of the work to be done, the sale price for the
10 facility, the duration of the agreement, the roles and
11 responsibilities of the State and the private investor, and the
12 terms and conditions for the lease.

13 "Private investor" means a non-governmental entity.

14 ~~[(d)]~~ (e) The department may adopt rules as may be
15 necessary or desirable for the operation and maintenance of
16 public buildings, ~~[and]~~ for the operation and implementation of
17 a program to provide a means for public access to the State's
18 information network system and public information~~[-]~~, and for
19 the implementation of facility agreements pursuant to subsection
20 (d). The rules shall be adopted pursuant to chapter 91.



1 [~~(e)~~] (f) The King Kamehameha celebration commission shall
2 be placed within the department of accounting and general
3 services for administrative purposes. The functions, duties,
4 and powers, subject to the administrative control of the
5 comptroller, and the composition of the commission shall be as
6 heretofore provided by law.

7 [~~(f)~~] (g) The functions and authority heretofore exercised
8 by the comptroller, board of commissioners of public archives,
9 the archivist, the disposal committee, and the insurance
10 management, surplus property management, and central purchasing
11 functions of the bureau of the budget and the nonhighway
12 functions of the department of public works as heretofore
13 constituted are transferred to the department of accounting and
14 general services established by this chapter.

15 [~~(g)~~] (h) The department of accounting and general
16 services shall preserve and protect Washington Place, including
17 the grounds and the historic residence situated on its premises
18 at Miller and Beretania Streets in Honolulu. The department
19 shall administer, manage, operate, and maintain Washington Place
20 and the trust fund created under subsection (h).



1 [~~h~~] (i) There is established a trust fund in the state
2 treasury to be known as the Washington Place trust fund, into
3 which shall be deposited:

4 (1) All rents and fees collected for the use of Washington
5 Place and from activities conducted on the premises;

6 (2) All other money received for the fund from any other
7 source; and

8 (3) All income and interest earned or accrued on moneys
9 deposited into the trust fund.

10 All moneys deposited into the trust fund shall be expended
11 by the department of accounting and general services and used
12 exclusively to implement the provisions of subsection (g),
13 including for staff salaries and fringe benefits, and shall not
14 be transferred, nor subject to transfer, to the general fund or
15 any other fund in the state treasury."

16 SECTION 4. (a) The department of accounting and general
17 services shall conduct an inventory of all leases of property
18 between state agencies and private entities.

19 (b) The department of accounting and general services
20 shall submit a report of its findings and recommendations,
21 including any proposed legislation, to the legislature no later



1 than twenty days prior to the convening of the regular session
2 of 2016.

3 SECTION 5. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2015-2016 for
6 the department of accounting and general services to conduct an
7 inventory of all leases of property between state agencies and
8 private entities.

9 The sum appropriated shall be expended by the department of
10 accounting and general services for the purposes of this Act.

11 **PART IV**

12 SECTION 6. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 7. This Act shall take effect on July 1, 2015.



Report Title:

State Acquisition; Real Property; Appropriation

Description:

Appropriates funds to identify, plan, and acquire or build upon real property in urban Honolulu to provide office space for state governmental agencies and offices. Requires the department of accounting and general services to undertake lease buyback processing under the program of centralized engineering and office leasing services, facilitate facility agreements between the State and private investors, and conduct an inventory of all leases of property to state agencies. Makes appropriations. (SD1)

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